



MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

EMPLOYMENT TRENDS

The Magic Valley Labor Market Area's (LMA) seasonally adjusted unemployment rate was 3.8 percent for September 2002. This was six-tenths of a percentage point higher than August 2002 but unchanged from September 2001. *Civilian Labor Force* was down 2.3 percent, or 1,180 workers, year-over-year. However, the number of unemployed persons decreased by 2.6 percent, or 50 workers. The unemployment rate of 3.8 percent is low compared to state and national trends, and it is a good sign that the rate is unchanged from one year ago.

Analysis of *Nonfarm Payroll Jobs* shows that the Magic Valley LMA is following state and national trends with a drop in new job creation. Overall, *Nonfarm Payroll Jobs* are down 6.9 percent from September 2001 to September 2002. This represents the largest drop in the Magic Valley LMA numbers in 2002. Many individual sectors showed a marked decrease. *Food Processing, Retail Trade, Finance, Insurance, & Real Estate*, and *Services* sectors were down 3.4 percent, 2.3 percent, 5.8 percent, and 4.6 percent, respectively. State budget cuts in education have contributed to a 5.8 percent drop in *Government Education* workers. The only notable increases occurred in the *Manufacturing-Durable Goods* and *Wholesale Trade* sectors with increases of 10.7 percent and 0.9 percent, respectively. The increase in *Manufacturing-Durable Goods* can be attributed to a large contract that Solo Cup, Inc. received to produce lunch room utensils for California schools, resulting in a workforce increase of approximately 70 percent.

Though it appears the Magic Valley is following national and statewide trends in the slowing of job growth, the unemployment rate remains low and in some sectors, such as *Health Services*, there are serious shortages of workers. Local employers have shown caution in

Magic Valley Table 1: Labor Force & Employment
Twin Falls, Jerome, and Gooding Counties

	Sept 2002*	Aug 2002	Sept 2001	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	49,210	49,290	50,390	-0.2	-2.3
Unemployment	1,870	1,580	1,920	18.4	-2.6
% of Labor Force Unemployed	3.8	3.2	3.8		
Total Employment	47,340	47,710	48,470	-0.8	-2.3
Unadjusted					
Civilian Labor Force	50,400	50,880	51,560	-0.9	-2.2
Unemployment	1,550	1,750	1,570	-11.4	-1.3
% of Labor Force Unemployed	3.1	3.4	3.0		
Total Employment	48,850	49,130	49,990	-0.6	-2.3
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	37,610	39,540	40,400	-4.9	-6.9
Goods-Producing Industries	7,670	7,710	7,720	-0.5	-0.6
Mining & Construction	2,030	2,080	2,040	-2.4	-0.5
Manufacturing	5,640	5,630	5,680	0.2	-0.7
Durable Goods	930	950	840	-2.1	10.7
Nondurable Goods	4,710	4,680	4,840	0.6	-2.7
Food Processing	3,720	3,660	3,850	1.6	-3.4
All Other Nondurable Goods	990	1,020	990	-2.9	0.0
Service-Producing Industries	31,940	31,830	32,680	0.3	-2.3
Transportation, Comm., & Utilities	2,830	2,790	2,690	1.4	5.2
Wholesale Trade	2,290	2,440	2,270	-6.1	0.9
Retail Trade	8,080	8,190	8,270	-1.3	-2.3
Finance, Insurance, & Real Estate	1,290	1,310	1,370	-1.5	-5.8
Services	10,200	10,270	10,690	-0.7	-4.6
Government Administration	3,830	3,850	3,760	-0.5	1.9
Government Education	3,420	2,980	3,630	14.8	-5.8

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

hiring and many are not replacing workers lost through attrition. However, early indicators show that holiday hiring will be average for the year, and consumer confidence remains high due to low interest rates and relatively low inflation. It is expected that the cooling in job growth will continue throughout 2002, but it is expected that unemployment will still remain low for the rest of the year. Overall, the Magic Valley economy is stronger than many areas of the state, but it is not immune from outside economic pressures.

SPECIAL TOPIC

Historic Old Towne Twin Falls

Historic Old Towne Twin Falls has had a very dynamic year. A little over a year ago, the two existing downtown organizations, Historic Downtown and Old Towne, merged to form one organization known as Historic Old Towne Incorporated. The merged organization selected local business-

person Richard Crowley as its executive director. Under his leadership, and with support from local businesses, Historic Old Towne has worked diligently to promote and revitalize the downtown area of Twin Falls. In a short period of time, Historic Old Towne has assisted new businesses and helped existing businesses expand and improve facilities. As a result, many success stories have developed. For example, Everton Mattress Factory reported record sales in 2001 and is on record pace in 2002. The company is expanding and improving its facility and currently employs 39 people at the factory. Magic Valley Bank is negotiating to purchase the Wells Fargo Building on the corner of Shoshone and Main Street, which will make that building the bank's largest facility to date. South Pacific Grill opened on September 10. The restaurant features a Hawaiian atmosphere and a cuisine that blends Spanish, Chinese, Malaysian, and American influence. Also, the Lamphouse Theatre at 223 Fifth Avenue South is expanding its theatre by 84 seats, bringing it to a capacity of 154 seats. Finally, the former Gem State Paper Co. Building is under extensive renovation to create a professional office space. The plans comply with the National Historic Preservation Society, and the professional space could be ready for occupancy in spring 2003. Overall, Historic Old Towne Incorporated is making positive progress in promoting downtown Twin Falls as a thriving and profitable alternative to shopping mall environments.

AREA HIGHLIGHTS

Twin Falls County

- Walgreens Pharmacy used the Magic Valley Job Service facilities to recruit and hire employees for its new store in Twin Falls, which is scheduled to open in November 2002. The company interviewed dozens of applicants in its search for approximately 15 pharmacy staff and 25 retail staff. Walgreens expressed great satisfaction with the number and quality of applicants.

Blaine, Camas, Gooding, Jerome, and Lincoln Counties

- Tele-Servicing Innovations, Inc. (TSI) announced it was closing its call center in Jerome immediately. Citing "slower than expected national economic recovery" the company announced it will consolidate its TSI Contact Solutions Center in Jerome and Burley and retain the Burley facility. The company opened in August 2001 in the Ridley Building on Main Street in Jerome. The Jerome facility employed approximately 60 people; many of them have been offered positions in Burley.
- WOW Logistics, Inc. recently used the Magic Valley Job Service facilities to recruit workers for its new 250,000-square-foot warehousing facility, due to open in December 2002. Human resource personnel

from Wisconsin conducted interviews with several applicants. The company expects to start with approximately eight employees when it opens. Warehouse construction has proceeded rapidly. Governor Dirk Kempthorne and Idaho Department of Labor Director Roger Madsen attended the groundbreaking ceremony in March.

Cassia and Minidoka Counties

- Kraft Foods North America in Rupert announced that it will permanently reduce its workforce by 50 full-time employees, bringing the total from 130 to 80 workers. A company spokesperson stated, "The decision is due primarily to excess manufacturing capacity at our Rupert plant." The plant makes Philadelphia Cream Cheese and Philadelphia Neufchatel Cream Cheese and will continue to do so. The reduction in force will take place between now and mid-November. The employees will receive severance packages commensurate with their tenure with the company.
- J.R. Simplot Company's first round of layoffs at its Heyburn potato processing plant began October 31, displacing 169 workers (164 wage and five salaried). The Mini-Cassia Job Service established a remote site at the Simplot plant to help workers with such services as job skills and job-hunting workshops, interviewing, and resume writing. On August 16, Governor Dirk Kempthorne announced that a \$4.9 million Workforce Investment Act National Emergency Grant had been awarded and that the Simplot closure had been certified under the Trade Adjustment Act. The grant includes provisions to offer retraining and reemployment services to the Heyburn Plant employees and other workers in the community who are impacted by the closure. Job Service and many other partners, such as the College of South Idaho, the Idaho Department of Health and Welfare, and Region IV Development Association, are working to help retrain displaced workers. A job fair is planned for November that will include many area businesses seeking job applicants.

Gregory Rogers, Regional Labor Economist
 771 N. College Road, Twin Falls, ID 83303
 (208) 735-2500, ext. 3639
 E-mail: grogers@jobservice.us